SPECIAL JOINT MEETING
BOARD OF MAYOR AND ALDERMEN
& BOARD OF SCHOOL COMMITTEE

March 25, 2026 at 6:00 PM

The Mayor called the meeting to order.

The Mayor called for the Pledge of Allegiance, this function being led by Alderman Barry.

A moment of silence was observed.

The Clerk called the roll.

Present: Aldermen Kaw-uh, Goonan, Dexter, Fajardo, Bonilla, Kantor, Trisciani, O'Neil, Terrio, Sapienza, Burkush, Barry, Vincent, Thomas

School Committee Members Turner, Parr, Georges, Want, Potter, St. John, Garrity, Hamer, O'Neil-Wong, Smith, O'Connell, Stewart, Student Member Giri

Absent: School Committee Members Taylor, Bergeron

1. Presentation regarding the FY27 School District Budget.

Mayor Ruais: Tonight's special joint meeting is for the city, the school district, and importantly, our taxpayers. So tonight, what we'll do is we'll have a presentation from the school district on their budget, and then we'll open it up to questions from the School Board and the Alderman, and we'll go from there.

Jennifer Chmiel, Superintendent of Schools: Thank you for the time this evening so we can share our three budgets with all of you. We have prepared a baseline, a tax cap compliant, and a fully funded budget. Before we start, I would like to recognize our team members who have been key in the development of all of our budgets. Thank you to each of you for the work you have poured into our budget development this year. In addition, I want to thank all the members of our district and our building level leaders who are sitting in the way back as they have been individually and collectively working to contribute to the development of our budgets. Since the fall, we have been meeting with our department and building leaders to review the 2026 budget, along with the development of the 2027 budget. I do want to remind all of us that this is a newer process that we

started when I took on the role of superintendent. It was important for our team to work with the building level leaders, so they had direct knowledge of their building costs and budget line items. These discussions have been helpful as we sought to maximize funding with a focus on improving student outcomes. As we begin, I want to ground us in our mission and vision. As you can see on the screen, our mission and vision can be found within our strategic plan, and they serve as the opening to the organization of our work under the buckets of grow our learners, grow our educators, and grow our systems. I'd also like to take a moment to remind everyone that we are not only working to achieve the goals within our strategic plan. We have district goals, department goals, and school ABC goals - attendance, behavior and curriculum - all which are aligned and positioned with a focus on student achievement. The budgets we are presenting this evening are designed with an enrollment of approximately 11,712 Manchester School District students. Please note our total number of students served is actually a bit higher. It sits at 11,947 students. This number includes 235 students we serve in our CTE program from sending districts. In addition, this budget is built to include 2,200 staff. Our budget is built to also support the nuanced needs of our students. At this time, we have 23.8% of special education students, 20.6% as English language learners, 4.7% are designated as homeless or and economically disadvantaged at 53.5%. Please keep in mind some of our students may need support and resources from multiple areas. For example, we have students who are coded special education, EL, and may also be homeless. Please remember, our budget also serves the transportation and special education needs for our parochial and charter schools within our city. Our special education department serves the students at the city, parochial, and charter schools. For reference, we provide special education services for 65 parochial students and 154 charter school students. We provide transportation services for 399 private and 959 charter school students daily. As we move into the next set of slides, the data shared can also be located on the New Hampshire Department of Education website. On this slide, you will see our historical enrollment data. As of 10/01/2024, our official enrollment registered with the New Hampshire Department of Education was 11,712 students. That is on 10/01/2025. Please note we have an additional 235 CTE students we serve from sending districts. The CTE data point is trending up from last year, meaning we have more CTE students in our district that we serve at this time. This is a trend we plan to continue to fully support. As you can see, the

elementary level has dropped and our middle school enrollment has increased. This is due to the fact that we completed the grade five transition from elementary schools to middle schools. I want to take this opportunity to remind all of us in our focus on reduced class sizes. Our current class size sits at 20 in grades K to four, 25 in grades 5 to 12, and 24 in any of our labs. It's important to remind everyone that reducing class size actually increases the number of classrooms and teachers that are needed to meet policy expectations. For example, if we took a group of 300 students, we would need 15 teachers in rooms to meet a class size of 20. We would need 12 teachers in rooms to meet a class size of 25, and we go down to ten teachers or rooms for a class size of 30. As you can see, the lower-class sizes increase the need for both teachers and classrooms. On this screen, you can see that we have an average of 19.6 students in grades one and two, while the state sits at 15.2. We have 19.5 students in grades three and four, while the state sits at 16.6. We sit at 20.5 students in middle school while the state sits at 12.8. When we look at the cost per pupil, we continue to sit very close to the bottom among districts within our state. We are currently at $18,020.90, which is up from $17,733 per student last year, compared to the state average of $22,699.85, up from $21,545 last year. To bring this a little bit closer to home, we can see that Bedford sits at $19,650, Goffstown at $17,811, and Nashua comes in at $18,376. Historically, our per pupil spending has significantly lagged behind the state average. I want us to go back to that per pupil spending average for the state of $22,699.85, compared to our spending of $18,020 per pupil. That's a difference of $4,675.95 per student less in our district compared to the state average. When we look at that difference and multiply it by our enrollment, we would need to see $54.7 million just to be average within the state of New Hampshire. When I shared this data point last year, we needed approximately $45 million just to hit average. As a district and a board team, we understand that salary plays an important part in our recruitment and retention efforts. We have sought to attract and retain high quality staff for our schools. You can see that the state average sits at $69,531, and our average salary sits at $71,241. We're just north of the state average in this area. The salary compares to $65,347 in Hooksett, $67,287 in Goffstown, and $69,672 in Nashua. Our average minimum starting teacher salary sits at $45,000, while the state is at $45,297, while Hooksett sits at $42,900. Goffstown comes in at $42,929, and Nashua comes in at $44,200. I want to remind all of us that we have the responsibility of delivering

a tax cap compliant budget. This said, and with the understanding that we are the largest and most diverse district in the state of New Hampshire, and with all that we have been able to accomplish over the last few years, we still have needs that we must address. If we plan to continue to improve student outcomes, we can't look at our budget in isolation. We have to look at the budget as a whole. Those three legs of the stool. We must invest in educational programming, staffing, and the conditions of our physical learning spaces. We're now going to give you a brief overview of some of our top moments as we remind all of us of the path the district is on.

Nicole Doherty, Assistant Superintendent of Elementary Schools, Teaching & Learning: In the teaching and learning accomplishments over the past year, we've made strong progress for students across the district. Graduation rates increase. College and career readiness grew from 65% to 78%. Students gained real world skills through career connected learning and a new financial literacy graduation requirement. Achievement gaps continue to close with steady gains in reading and mathematics. We expanded Spanish dual immersion at Bakersville Elementary School and launched a new French immersion program at Weston Elementary School. Student supports were strengthened. Summer learning, the arts, athletics, and wellness programs grew. We also invested in our educators through mentorship and professional learning, ensuring every student is supported, engaged and prepared for the future. Community partners continue to play a vital role in supporting our students. High school students gained hands on learning through bio-tech programming and industry recognized credentialing camps. Teachers brought real world science into classrooms through regenerative medicine and bio-fabrication. Families new to Manchester were supported through a monthly parent orientation series. Colleges and universities partnered with us to provide fellowships, clinical teaching assistants, AmeriCorps members, and summer experiential learning. Community organizations expanded learning, leadership, and wellness supports across our schools. We also strengthened communication and family engagement through events, future affairs, and ongoing collaboration ensuring students and families feel connected, supported and prepared. This year, we continue to prioritize safety, access, and communication. School safety was strengthened through a completed facilities upgrade, new grant funding, enhanced emergency alert systems, ongoing training and

expanded threat assessment teams in every school. We deepen support for our multilingual learners by aligning instruction with updated standards, while continuing to expand language access for families and strengthening professional learning for our educators. We also improved district communication through consistent messaging, stronger media partnership, and better tools for school families, ensuring our community stays informed, connected and supported.

Ryan Roth, Assistant Superintendent of Middle School & Student Services: This year's student service focused on strengthening compliance, professional capacity, and district wide systems to better support students academically, socially and emotionally. Key efforts included improved special education implementation and oversight, enhanced IEP access and fiscal monitoring, stronger cross-department collaboration, and expanded professional development. Comprehensive school counseling shifted towards proactive social-emotional instruction, generating more than 200 secondary level follow up requests. System wide improvements included aligning assessments with the New Hampshire School Day SAT, refining our 504 processes and standardizing transcript and transfer credit evaluations, reflecting a continued commitment to strong systems, fiscal responsibility and comprehensive student support. The technology department strengthened communication, cybersecurity, data systems, infrastructure and operational efficiency across the district. Key initiatives included implementing talking points for multilingual family communication, district wide cybersecurity training and Cisco dual two factor authentication and improvements such as standardized transfer credits, corrected course records, rebuilt 504 templates, and integration with Transversa and transportation data. 400 wireless access points were replaced, and instructional technology costs were reduced by transitioning over 1,000 teachers to high end Chromebooks. This transition generated more than $788,000 in instructional technology without sacrificing performance. This year, human resources focused on strengthening recruitment, retention, employee experience, and operational efficiency. Efforts included streamlining onboarding through Powerschool, expanding outreach via LinkedIn, Indeed, and a district wide career fair, and developing partnerships for a potential educator fellowship program. Employee wellness initiatives included a wellness newsletter collaboration, and supported a strong 90% teacher retention rate. Operational improvements included

launching the benefits focused platform, creating an HR training toolbox for site leaders, and updating the District Employee Handbook, reflecting a continued commitment to attracting, supporting and retaining high quality staff.

Kelly Espinola, Assistant Superintendent of High School & Operations: In nutrition services, we expanded high school menu options, included locally sourced produce and continued grab and go breakfast to support access and attendance. From a fiscal perspective, we launched the employee access portal and maintained strong budget oversight alongside our principals and department leaders in transportation. We restructured the department, improved efficiency, and reduced specialized transportation costs from $1.7 million to approximately $1.3 million, while continuing active driver recruitment. We also strengthened policy compliance, supported negotiations, advanced long term capital planning, and issued a district wide custodial RFP to ensure quality and cost effectiveness. Moving forward, our priority one facility work is actively underway from groundbreakings at our four middle schools to beam raisings at Hillside and McLaughlin as we continue modernizing our aging buildings to create 21st century learning environments. In our attendance efforts, we launched a district wide framework to ensure consistent expectations and clearer communications with families and we're refining year one implementation as we move forward. And finally, we strengthen transparency through monthly conduct reporting and secured more than $10 million in behavioral health and safety grants to expand our multi-tiered systems of support and behavior, build sustainable systems, and support students across all tiers. I'd like to highlight the work of our Office of Student Engagement, Outcomes and Success, and several student achievement milestones across the district. This year, we strengthened student connection and belonging through ward-based Student Connect events, expanded mentoring at Central and West, and launched peer buddy and student ambassador programs aligned to our MTSS frameworks. Our students continue to excel across academics, art, athletics and civic engagement from all state music and scholastic art recognitions to playoff football appearances and statewide scholarship honors. And for the first time, all four high schools achieved level three on college and career readiness indicators, an important milestone for Manchester. I'd like to close out by highlighting the continued strength of our athletics program across the district. This year, 40 Manchester

student athletes were recognized as NHIAA scholar athletes, including 11 seniors from Central alone, a reflection of the balance of academic excellence and the athletic commitment we expect and support. We celebrated more than a dozen seniors committing to compete at the collegiate level, and our high schools continue a strong tradition of competitive success that builds pride and connection across our community. From middle schools through varsity, athletics remains a critical driver of engagement, leadership and school climate across Manchester.

J. Chmiel: When we approached the budget development, we viewed this work through three prongs or three legs of a stool. The three areas are educational programming, high quality staffing, and 21st century learning environments. This is our foundation and the core reason we have seen measured progress in student performance data. It is important to reflect a little on our work as we look at the budgets before you this evening. Over the past few months, we have shared updates with the board in regard to increased college and career readiness data, which moved from 39% in 2022 to 76.1% in 2025. This level of increase does not come without a clear and focused approach to moving our data forward. Let's draw back to our ABC: attendance, behavior and curriculum goals. The team meeting at the district and in collaboration with our school teams, have set paths for improving student attendance, reducing interfering student conduct in improving student outcomes. Given we are seeing these data points all move in the right direction from the jump in graduation at West High School from 70.4% in 2024 to 77% in 2025, to witnessing our four-year graduation rate of 3.29% exceed the state growth of 1.66%. Our district has absolutely been working to move this needle as we set the foundation for student success. Speaking of our foundation, I would be remiss if I did not call out our work to provide vertically aligned, curriculum associated professional development, strategic recruitment and intentional retention efforts, along with our work to bring our very aging buildings into the 21st century learning environment we know is right for our students and staff. Our work over the past four years in particular, allowed us to set a foundation we have used as a springboard for forward success. This has been a collective effort from the board, approving our pathways to the commitment of our staff to implement new approaches to learning and leading. For this work, I am forever grateful. We dug into a system that desperately needed attention, and we are seeing the results of the shared

drive toward success. I'm going to turn this over to Karen, who will walk us through the budget in detail.

Karen DeFrancis, Executive Director of Finance: This slide represents the calculation for the tax cap budget. On the top portion of the page is the three-year CPI average, which is what the tax cap is based on. We received this calculation from Sharon Wickens, the city finance director, annually in mid-January. And Sharon is here with us tonight. Thank you, Sharon, for attending. For the fiscal year 27 budget, the tax cap is exactly 3%. On the bottom portion of the slide, we utilize the 3% to calculate the tax cap on revenues and on expenditures. Since the tax cap is on both applying the 3% tax cap to the current year tax collections of $117.5 million results in additional tax revenue of $3.5 million. However, we are losing $6 million in other revenues. The net impact is a reduction in revenues of $2.5 million. Therefore, under the tax cap budget, we're actually seeing a decrease in our appropriation of $2.5 million. Our appropriation this year is $238 million, reducing that by $2.5 million results in a tax cap appropriation of $235.5 million. So, you'll hear us refer to that number tonight. Again, the tax cap is $235.5 million, and that's assuming that we would receive the full 3% increase in taxes. The bottom part of the slide shows our expenditure tax cap. If we apply the 3% to our current appropriation, we would be able to spend an additional $7.1 million, but we would need the revenue to support that spending, which we don't have in next year's budget. The next slide shows our budget gap under a baseline budget. So, a baseline budget when we talk about that is rolling all of our current programming and current staffing forward. The budget gap is now projected at nearly $16 million. This represents the difference between the tax cap budget of $235.5 million and the baseline budget of $251.4 million. That is made up of an increase in expenditures of $13.4 million and lost revenue on the previous page of $2.5 million. So, in order to get a tax cap budget, we would need to reduce the baseline budget by $15,898,000. So, you'll hear us talk a lot again about that $16 million throughout this presentation. The next slide looks at the detail behind our revenues and expenditures, our increases and our decreases. The revenues are on the left side of the page and the revenues on the right side. Our adequacy aid is decreasing by $1.9 million. The state is projecting our enrollment will decline by 1.4%. However, that is offset by an increase of 2% in the base and differentiated aid rates, which is the current law where we're seeing a substantial

decrease in funding is in the Extraordinary Needs Grant. This grant provides funding to municipalities with the lowest property values and highest student poverty. Our free and reduced population stayed consistent. However, the equalized property value of the city increased by $1.5 billion, which reduced our funding by $2.5 million. The next line is the state increase in special education aid, which has resulted in a $600,000 increase in this year's budget. We would expect the same for fiscal year 27 based on our increased special education needs. Our Medicaid coordinator expects revenue to increase by $150,000. And that's also based on some changes from the state program. The next line is our school building aid, which will increase in fiscal year 27 by $123,000. And that's due to the state's commitment on older projects. This increase does not include any of the new projects. Our revenues are decreasing by $5.1 million, and this is due to the use of one-time funds in fiscal year 26. And we don't have those same funds available to apply that to the fiscal year 27 budget. So again, we're seeing a decrease of $5.1 million in that revenue. All other revenues are increasing slightly by $71,000. The next line is the 3% increase in the tax revenue that we talked about on the previous page under the tax cap scenario. So, all the revenues that we just reviewed equal a total reduction of $2.5 million. As we noted on the previous slide, in order to spend the $13.4 million increase in expenditures, we would need additional revenues of $15.9 million. On the right side of the page are the increases and decreases in our expenditures. The salary line is increasing by $3.1 million, which equates to 2.8%. We have included all of our current staff in this line. The cost of living increases our steps. Our longevities are also included per our collective bargaining agreements. We have also included funding all of our teacher retirements as well as our vacant positions. The benefits line is increasing by $5.7 million. $2 million of this increase is due to the use of one-time funds in fiscal year 26, and we use that to help balance the budget. In addition, Workplace Benefit Solutions, our consultant, is forecasting a 13% increase in health insurance costs. We have also increased our retirement and FICA taxes due to the increase in salaries. And I would point out that the 13% increase in health insurance is $3.1 million. Our professional and technical line also referred to as our contracted service providers, we have increased this line by $2 million. $1.7 million of this increase is due to the use of one time funds this year, so we have to make that up next year. We also increased special education needs and rates by $252,000, and a small increase of $10,000 for our police details for athletics.

Our repairs and maintenance is increasing by $300,000, and this is due to the Manchester Transit Authority no longer servicing our buses. Next year we expect moving to a different vendor will cost us at least another $300,000. Our transportation department believes that they can further reduce the current costs of our added district transportation by $819,000, bringing that budget line down to $11 million. Our out-of-district tuition line continues to increase this year. Our budget this year, fiscal year 26, is $6.2 million, and we expect to spend $7.7 million this year. We have increased the line for next year to $8 million. The next line is our city service line. We have increased our custodial contract by 3%. That's currently out to RFP, and we'll be bringing a recommendation forward soon to our board. This does not add back the $400,000 that was reduced this year. We have also added 3% for our school resource officers. Other city departments have stayed level funded. We met with our facilities and parks and rec departments, and they feel they can support our needs at a level funded budget. Next year, our debt service will increase by $371,000 for our current bonds, as well as the fiscal year 25 and fiscal year 26 capital improvement projects. The city finance department typically goes out to bonds every two years, so the fiscal year 27 CIP projects will not be included in the fiscal year 27 budget. That would be bonded, most likely in fiscal year 29. The next line item is the phase one construction project, which will be bonded in fiscal year 27. Since we have paid down the project with operating funds, the latest bond projection is that the annual cost will be $16.2 million, which is $1.5 million lower than this year's budget at $17.7 million. The next line is our meal debt, which represents the amount of uncollected debt from our food service fund. This is an annual amount that the general fund has to absorb, as it needs to come off of the food service books. All other expenditure lines have been reduced by $348,000 in total. The net result of the changes we just reviewed is an increase in the expenditure budget of $13.4 million. But keep in mind that $5.2 million of this increase is due to making up one time funds that we used out of the trust funds this year. The next slide shows our revenue budget under a tax cap scenario. The first column of numbers is the projection for fiscal year 27. The middle column is our current budget for this year, and the final column shows the difference. These are the same differences we reviewed in previous slides. The net result is an increase in the tax collection line by the 3% tax cap, and a decrease in the appropriation line, because we are losing other revenues. So, the tax cap budget again that we talked about before is $235.5 million. The next revenue slide

represents the baseline budget. And that's at $251.4 million. The only difference between this slide and the previous slide is the amount of tax revenue or other revenue sources that would need to be collected, $19.4 million under this scenario versus $3.5 million under the tax cap scenario. The difference again is that $15.9 million. Slide 27 is the appropriation and the tax cap history for the past seven years. Towards the bottom of the page, the total revenue line is our appropriation each year. The line right above that is the total taxes collected to support the appropriation. So, if you look at the fiscal year 25 column, compared to fiscal year 26, you can see in fiscal year 26, our appropriation was increased by $3.5 million. However, the taxes collected to support the appropriation were decreased from $120.4 million to $117.5 million. So that was a decrease in taxes collected for the school district of $2.9 million. We supported the increase in the appropriation by using one-time funds and our increase in the adequate education aid. Slide 28 shows the adequacy aid over the past six years to the far right. In fiscal year 22, we collected $65.6 million. That compares to the state estimate for next year of $105.7 million. So that's a $40 million increase. So, the state has contributed to education but still not to the level that's required. On slide 29, this slide shows our changes in our expenditure budget from fiscal year 26 to 27. We reviewed these numbers in previous slides. This just gives you a little bit more information on a line-by-line detail. The next slide, as noted on slide 29, are increases in the expenditure budget, that is the $13.4 million that we talked about previously. But again, just pointing out that in fiscal year 26, we did spend $5.2 million of one-time funds. So, although our appropriation for this year, fiscal year 26, was $238 million, we really are spending $243.2 million. Slide 31 looks at all of our spending. We have been focused on our general fund dollars, but we also spend $6.3 million in school food and $21.8 million in special revenue funds. Those funds are grants such as our Title I and IDEA grants. So, in total, we are a $280 million organization. On slide 32, this is a visual of our revenues under a $280 million organization. To the left in the blue are the taxes, which support 49% of our budget. On the right, the state adequate education aid supports 37.8%, federal programs are at 7.8%, and the remaining revenues on the pie chart make up the balance. Slide 13 is looking at that same $280 million and how we spend it. On the left-hand side, 70% is on salaries and benefits, 10% is on debt service and the remaining lines are each under 5%. The next slide shows our capital improvement projects request for fiscal year 27. As mentioned previously, this will not impact our budget

until fiscal year 29. We are requesting very similar projects and spending levels as last year. We have increased our facilities deferred maintenance by 3% for a total request of $3,550,000. We've also worked with Parks and Recreation, and they're requesting $300,000 for deferred maintenance on our grounds, $1 million for parking lot rehabilitation, and $300,000 for playground replacement. We're also requesting $1.2 million for buses to continue our fleet replacement, and also to expand our fleet to bring more services in-house. The final request is for information technology to support infrastructure projects and Chromebooks. The federal E-Rate program contributes 80% of infrastructure projects, so the money that's included on this slide is just our 20% portion. So again, they're paying 80%. We pay 20%. That's a really good deal. In total, the request for all the CIP is $7,850,000. And the bonding cost for that is approximately $1 million.

J. Chmiel: Before we shift over to our discussion on our budgets, I want to share working scenarios as a high-level guide to how we could reach the $15,898,087 reduction needed to meet the tax cap compliant budget. We've offered these scenarios as a means to highlight the reductions the district would need in order to reduce our budget. There is absolutely no action asked for on this item this evening. This is simply information on how the district could actualize a near $16 million reduction. I've shared five scenarios with you this evening. It's important to state just like I did last year, I do not support any reductions to our budget, because these reductions come with an erosion of the quality of work we have implemented to move our student outcomes forward. The deeper the cuts, the faster the erosion. As you look to the left, scenario one is the deepest cut to our district, with 113 staff reductions, increases to class sizes across all grades, very large impacts to our athletic programming, and increases to a two-mile walkout for high school students paying to ride, while scenario five contains cuts at a lower level. While this scenario reduces staff reductions to 42, we still see reductions in increases to class size in grades 3 to 12, in modifications to the walkout radius for transportation. It's important to stress any of the scenarios before you this evening come with a negative impact on the foundational work we've been working on to lift student learning. Allow me to walk you through the scenarios. All of the scenarios before you assume a fully funded, tax cap compliant budget, meaning if the budget comes in less, these items will go higher. While this is not a guarantee, we have the responsibility to provide a tax cap compliant budget

for all of you. All of the five scenarios hold two placeholder items, extending the retirement window and investigation of possible options to help reduce health care impacts given we've moved from an anticipated 7% to 13% impact to our budget in the area of health care. Let's take a look at the items on the far left-hand side of the table. When you look at supplies, the reduction ranges from $77,374 all the way up to $134,874. This reduction is in addition to the $133,000 that we reduced last year. In transportation, we looked at three options: modification to our bell schedule shows in all five of our scenarios. We would redesign our arrival time so elementary would come in first, followed by high school and then middle school. This modification allows for better sequencing to meet student needs at each grade level population, and also to better position our fleet for after school activities. We looked at a proposal to modify our current walkout policy, which is 1.4 miles. We've looked to adapt to a 1.1 mile radius for elementary, 1.5 for middle school and two miles for high school. We've also pulled costs. If we switched from our 1.4 mile radius policy with high school students riding at no cost to following state law of a two mile walkout radius and high school students paying to ride. We've looked at increases to class size. We have run a number of class size models to determine staff counts at various class sizes. In scenario one, you see a reduction of 67 teaching positions, which would drive our class sizes to 25 at the elementary and 30 in our middle and high schools. This compares to scenario five, where you see a reduction of 20 classroom teachers, resulting in class sizes of 20 in K to two, 25 in 3 to 4, 27 to 30 in middle, and 28 to 30 in high school. We included a class size model document and our class size presentation that was presented at Teaching and Learning in our memo packet. We know that lower class sizes increase teacher and student contact. This is the model we have moved to implement. I will remind all of us, increasing class sizes is in pure contrast to our work to move student outcomes higher. In addition to class size increases, we have moved to add a reduction in force at the schools. These reductions are necessary in order to limit the class size increases. In addition to class size increases and reductions in force at the schools, we added reductions in force at the district level. Again, this reduction was introduced to continue to limit the impact to class sizes. I do want to note that all of the reductions are cumulative. We cut 20 positions at our schools last year, eight at the district. So those numbers just keep compounding. Our final reduction came in at a third reduction to our current vacancies. Cumulatively, our lowest reduction in force sits at 42 with the highest

at 113. When you look at athletics, we introduced a full reduction of athletics with only a pay to play structure to no reductions in athletics at all. In addition, you will find in the considerations document you can see the cost for our athletics programming. As we continue in this discussion, we will look at varied levels of cuts in this area. We move to the option of using one time funds from our Teaching and Learning trust to cover the $1.5 million needed to purchase curriculum materials. While we understand this is a purpose aligned with the intent of the trust, we also understand this will bring our totals in our trust down to approximately $10 million. Our auditor has recommended 10% of our operating budget. This would bring us to just about 5%. We have also looked at our funding for our phase one projects. Given we took the proactive step of paying down our project prior to bonding, we have reduced the total amount which will need to be bonded for our project. In addition, we'll be entering into the bond for the project next year, resulting in an interest only payment in year one. So, while we place-held funding for the full bond payment, we are now aware that we can use the balance of this funding in the range of $0 on up to $8.8 million. We do want to caution all of us that the use of this funding would be one time spending. This also draws back the amount of money we can put towards essentially paying down the project upfront. The final aspect in our scenarios is the investigation of a soft override on revenue on the city side. We understand this has been exercised in the city since the implementation of the tax cap compliant budget around half a dozen times. This override would require ten votes from members of the BMA. For the purpose of the scenarios, we used a placeholder of $2 million so we could illustrate the impacts of a soft override on our budget reductions if this became a viable pathway. I'm going to stress this again, none of the reductions we are providing are items I, or any member of our team, would agree with. None of these cuts are in the best interest of moving student outcomes higher. None of these reductions are in the best interest of our students, our staff, or our district as a whole. I want to stress that while some may ridicule our district and our efforts, we have seen through our investments such as increasing in staffing, resulting in lower class sizes and increasing student resources and supports, while also purposefully equipping, training and deploying of our staff. We have seen improvements in student outcomes. Smaller class sizes matter, trained staff matter, and our staff matter to our students. We are incredibly proud of you, your achievements, your goals realized, and your efforts to move your own learning forward. To our staff, thank you for your tireless

work to move student outcomes higher, your commitment to our district and your belief in our students. It's important to share that within a decade, we have moved from a place of 30 plus in a classroom to lower class sizes. From textbooks missing three rounds of presidencies or being held together with duct tape, to vertically aligned in current curriculum, from low starting salaries, leaving us in a place of high vacancies and low retention to competitive salaries, allowing us to hire staff ready and able to work with the complexity within our district. From buildings that are, on average, 70 plus years old, to 21st century learning environments. As we navigate this budget process, we must not forget that in order to have a high functioning district, we must invest in all parts of the system. We say it all the time. High performing public education systems lead to high performing communities. When we took a look at a fully funded budget, I want to wrap us up in that work. We have worked with our building and department leaders to develop a first-year implementation of a fully funded budget. It is important to note this is the first-year plan to increase our budget to a fully funded state. We know that we need to develop the foundation further to support expansion. For example, our HR team would need to expand to take on additional staff in the system. Let's take a look at the build out of a fully funded budget. Our transportation department runs with a team of five and they transport approximately 3,000 students daily. The MTA team has a team of approximately 14, and they transport approximately 2,000 people a day. Our team is grossly understaffed, so we built out the additional 12 plus members to bring this team to a level of staffing to meet the demands of a multimillion-dollar transportation department. Our athletics department restored unified athletics in the middle level expansion cut from our budget last year and not included in the tax cap compliant budget this year. They also built out programs at all levels: staffing, dues, fees, supplies, transportation, and uniforms for an athletics program expansion. Our staffing buildout reflects increases for our complement of our school counseling department, a supervisor for nursing so we can bring more nursing positions in-house rather than our dependence on contract service providers, adding seven more social workers, appoint five student assistance program counselors, five multilingual teachers, two English language development coaches, a dual language coordinator to support our expanding dual language immersion programming, an adult education facilitator and teacher, four special education members to join the district special education team supporting our students identified as special ed in our system, along with

the implementation of 20 school based but district linked coordinators to further enhance compliance and programming at our 20 school locations. Our elementary school principals sought to add additional teachers focused on special education, English language learning, and interventionist to their schools. Our middle level principals added additional teachers focused on special education, French and unified arts, and. Our high school principals advocated for additional staff focused on the 306 rule staffing needs. We added a small adjustment for our Medicaid and assistant payroll positions, as these key roles have absorbed additional responsibilities given the cuts sustained at the district last year. In our teaching and learning team, they restored the use of trust spending for our curricular purchases back to the general fund, added funding for resources for student engagement, success and outcomes, and built out a measured approach for enhancing our fine arts programming. Our technology department added a training manager, a web and communications manager and the restoration of stipends for our asset managers. This was funding cut when our Esser funding rolled back. In the area of supplies, we restored our previous cuts and added additional funding for STEM, STEAM, and AP texts. We held a line for phase two in our long-term facility planning work as well, understanding our buildings are not reverse aging. They continue to age, which given our long-term facilities plan, we are facing needs at all our school locations. I did not place costs in this line item, as we do not have scope or cost outs for phase two at this time. In total, the fully funded budget adds $29,783,006 to our baseline budget, resulting in a total of $265,290,706. Based on our strategic plan and our work with the board on key initiatives we have presented for you this evening, our baseline, our tax cap compliant, and our fully funded budgets.

Mayor Ruais: I would ask for our bond counsel to introduce themselves. They were kind enough to come tonight.

Bob Beinfield, Bond Counsel at Hawkins Delafield & Wood: I work as bond counsel for the city. My law firm is Hawkins, Delafield and Wood.

Steve Maceroni, PFM Financial Advisors: I am the financial advisor to the city. I work for PFM Financial Advisors. I'm a Director in their Boston office.

Alderman Sapienza: Thank you for the presentation. As of March 5th, $62.6 million in liquid cash has been spent on the phase one building project. What has been spent in bond or BAN money thus far? I look at bonds and BANs as basically the same thing. They're synonymous to me. But do we have a figure for how much has been spent thus far in bond or BAN money?

Sharon Wickens, City Finance Director: Karen, I think what he's asking is what have you spent for costs.

K. DeFrancis: The first year we actually used our operating that you had mentioned, the number that you had there.

Alderman Sapienza: So that was $62.6 million.

K. DeFrancis: We had $20 million out of the additional adequacy that we received that year, $35 million in adequacy. We put $20 million towards the project. The next two years, we put $17.7 million towards the project, which again is paying that project down. And now we just recently started using the BANs. I think I just sent last week, the third BAN request to the city. I don't have those exact numbers in front of me, but we had three invoices that we were done using our $17.7 million, so we had to start drawing down on the BANs.

Alderman Sapienza: So, $62.6 million in liquid cash and how much in BANs?

S. Maceroni: The current BAN that's outstanding is in the amount of $78,425,000.

Alderman Sapienza: Correct, $78 million that's outstanding. Now, X amount of that $78 million, I'm guessing is still in reserve.

S. Maceroni: That's correct.

Alderman Sapienza: So, half of it is in reserve?

S. Maceroni: I defer to Karen, but it sounds like she's just starting to draw that BAN. So, I'm not sure exactly how many how much has been drawn.

K. DeFrancis: Yes, that is correct. Like I just mentioned, we had three BANs that we drew down, one in January, February and March. I don't have those exact numbers with me, but we could certainly get that to you.

Alderman Sapienza: I had been asking about this and I was told a few times we were going to have the figures tonight, but alright, we'll move on from that. Is the plan going forward to spend only BAN or bond money, or will liquid cash continue to be spent for the phase one project?

J. Chmiel: The original plan was to continue to use some cash to spend down the total due for the project. We've been looking to reduce the long-term debt, thus reduce the interest paid over the long term. In talking with Sharon and the team this evening, Karen and I have been placeholding $30 million in savings for the life of the bonds and I just learned tonight it's actually $31 million. So, by doing the cash up front, we've essentially paid down the total debt owed, which has drawn down the amount of interest we have to pay over those years.

Alderman Sapienza: As of March 5th, $62.6 million in liquid cash has been spent. If I understand correctly, you're saying there's an additional $30 million liquid set aside that will be spent. Is that accurate?

S. Maceroni: Originally in fiscal 27, there was $8.8 million earmarked for the final cash deposit to finance the project. And that would have made the $62 million. If you pull that $8.8 million out, it's only $54 million or it is $50 million.

Alderman Sapienza: I'm sorry. Could you say that again?

S. Maceroni: In fiscal 27, the original plan was to earmark $8.8 million of the $17.7 million of additional revenue that the school department received towards the project. When we talked to the school department and we understand this gap of $16 million, they asked if there's anything we can do structure wise to help out with that gap. And you'll notice in the scenarios that were showed, one shows $8.8 million. So, what we can do is use $8.8 million of money that was earmarked towards the project, towards operations in fiscal 27. I think what the superintendent noted, the $30 million is savings by using your own cash to fund the initial construction of this project, you issue less bonds and you save an interest cost over the life of the bonds. That's the $30 million number.

Alderman Sapienza: I have documentation saying that as of March 5th, $62.6 million in liquid cash has been spent on phase one. Is that accurate or not accurate? You mentioned pulling out $8 million.

S. Maceroni: It's not accurate. It's about $54 million. Through fiscal year 26 it'll be $54,338,750.

Alderman Sapienza: Well, the email I have and that I sent out to folks suggests otherwise. Sharon, if you want to elaborate on that.

S. Wickens: The $8.8 million that Steve has been referencing, we anticipated the cash would be going to the project. That has not happened. If it does go to the project, all the cash that the school district has set aside equals the $62.6 million. If they decide not to put the $8.8 million towards the project and instead use it to offset some of this gap, like Steve said, it would only be $54 million.

Alderman Sapienza: Well, that's not what the email I have says.

S. Wickens: I must not have been clear, and I apologize.

Alderman Sapienza: That's fine, Sharon. We'll move on from it. When I hear that, and this was in the presentation, reduction of the debt due to use of operating budget, and that

sounds good to pay down the project, $1.5 million. You know, it's good that debt is being paid down, but you're using operating budget money to do it with. That's not so good. I mean, the whole idea of a bond to me is that you're creating a manageable payment schedule. I don't see it as an accomplishment to use operating money that is beyond the scope of the bond because you're handcuffing the city when you do that. But we'll move on from that. Do we know approximately how far along we are in phase one? Are we 50% of the way done?

Matt Upton, Executive Director of Legal & Policy: So overall, through all the projects, we're at 22% completion. It's 23.76% Hillside; 32.11% Mclaughlin; 10.71% Parkside; 9.89% Southside; and 4.86% Beech.

Alderman Sapienza: So, about 22% more or less. The liquid cash that has been spent or is going to be spent, does that come off the $290 million of the original bond?

J. Chmiel: So, we started at the $306 million number and we just kept working our way backwards. So yes, it comes off the total. We were originally anticipating the $290 million, but the subsequent years have drawn that number backwards.

Alderman Sapienza: On December 5, 2023, a bond resolution was passed for $290 million. I understand the actual cost was $306 million, but the bond was $290 million. So, to me, the idea was that that's how phase one was going to be funded. So, my questions are driven because I was surprised to learn that liquid cash was being used. I feel it's handcuffing the city to do that, but there you have it. I was a little surprised to find that out. Thank you for your cooperation.

J. Chmiel: Thanks for your questions. I'm just going to see if we can have bond counsel weigh in. We've been working directly with them on guidance on how to pay down the total debt. If you guys could just weigh in, that would be great.

S. Maceroni: So again, the plan that we had laid out was the short term 12 month notes during construction, for a number of reasons. Interest rates are low, number one. You

can't bond projects of five years. You can only bond when you can reasonably expect to spend the money within three years. So that's another reason for the BAN. The interest rate on the BAN is lower than the bond. The BAN is at 2.51% and the bond is at 4%. So, the plan was to issue notes for two years, projects underway, and then bond it. And the plan is to bond it in November of 2026.

Alderman Sapienza: I understand the use of BANs. I mean, the b in BAN stands for bond, right? So, to me, for our discussion here, a BAN and a bond, a BAN is a bond anticipation note. They're the same thing; that's synonymous. That's not what I'm getting at. My question here is why, I thought, $62.6 million, come to find out, it's $54 million, in liquid cash was used rather than using the BAN or bond process. That's my question. BANs are fine, I understand. Use them to get around the bureaucracy and the delays of the actual issuing of the bond you need. I get it.

B. Beinfield: I think originally that if the project had been going quicker, that money would have been dedicated to paying back the debt service at that time. So as Steve was saying, instead of going out for the full borrowing before you need it, a lesser amount was borrowed in a BAN. And you're exactly right, it is an anticipation of bonds. But in the interim, the amount that had been planned to go to the debt service because that's what the plan had been, was used because the debt service had not started yet. When it could have started, it was paying down the bond, which ultimately gets you a pay down of the debt service. I think that was the strategy.

Alderman Sapienza: Attorney Upton said we're about 22% of the way done. Let's just round that up to 25%. That's one fourth. If we multiply the amount of money that's been spent so far by four, I don't have the exact figures because they weren't given, but I don't know that that would give us an idea of where we are. Alderman Fajardo wanted to add in on this. I don't want to hog the mic.

Alderman Barry: Thank you, Doctor Chmiel and your staff for a wonderful presentation. One thing that caught my attention, and it's something I've been speaking with Alderman Thomas on, is special needs. I believe the number you said within our school district is

65 and the charter schools is 150. Do we have a breakdown of those, the 65 students that that are within our school district as opposed to the 150 charter school members for students?

R. Roth: In terms of how many students we support in our district, we support 3,097 students in our district. In total, within the district, not including out of district, is 2,816 students are currently educated in our district who are on IEPs, 157 students are charter students and 124 are out of district students, and those are students whose needs we just can't meet within our district schools.

Alderman Barry: One of my thoughts, and I know we're certainly not going to be able to implement a program in Manchester this year, but maybe in the near future we can. And if Alderman Thomas would want to take over from here, but we did have a great discussion. I believe she also talked to Dr. Chmiel about it, but I think it's a great idea if we can somehow, some way structure something here in the city of Manchester with one of our buildings to use.

J. Chmiel: We agree. We did talk about it when you came to visit us. We engaged in the long-term facility planning project a couple of years ago. Within that project, there is a build out for alternative learning. There's a build out for special education services. There are pathways for us to get to those different pathways for students to learn. So, we are looking at those options. Looking at some of our principals in the back, they've been kind of eagerly looking at different ways and pathways for alt learning starting at our high schools. So, we're trying to figure that out. But you're absolutely right. Doing it in one year is impossible. It's going to take a team to really map that out. We started that through the long-term facility planning. We have to stay on that path.

Alderman Barry: Here we have MST and obviously we have a lot of trades within MST, the firefighters, even hairdressing, and others. What a great way for our kids and our school district to work on nursing careers through MST and work with children. I hate to say it, but it could also build up revenue in our schools.

J. Chmiel: We agree with you completely. We also know that we want to have our students in their home network. So as soon as we move a student to an out of district, we've disrupted their home network. We want them home. We want them with their peers. We want them in their neighborhood peer group. So, we're going to keep moving on those projects. We'll keep updating the Board of School Committee as we go. And we can certainly share that over to you as well.

Alderman Fajardo: I just want to circle back to Alderman Sapienza's commentary or line of questioning. A couple of things sort of stand out to me. You use the phrase, Alderman Sapienza, that the city is being handcuffed because of the way that the savings or interest savings are being used for the operating money, rather it's being used for the interest payments. Either way, you described in detail, obviously lots of numbers. I'm hoping that you could, in layman's terms, just describe it. I hear the questioning and it is suggestive that perhaps there's some tricky maneuvering going on behind the scenes. I think it's drawing questions as to is the district and is the city making prudent choices with where and how we pull money when we use it, when we decide to allocate it in one place versus another. So, I guess what I'd like to have you clarify for us is, is this a good and prudent approach in terms of the overall goals for the district and for the city?

B. Beinfield: Thank you for the question. In my view, it's been a very thoughtful approach by the finance team and everyone who's been involved in the effort to keep the ultimate cost of this bond down so that the debt service in future years is as low as possible. And the way that has been done was to take the money that is targeted for debt service in the next several years. And since we weren't ready with the full bond for the first year or two to continue using that money to pay it down and use it for what had been and what it will go to. It's been a very considered, thoughtful process, with a lot of input, a lot of study of various financial scenarios to try to come out with the best one.

Alderman Fajardo: Could you explain why we weren't ready for the full bond?

B. Beinfield: I may defer a bit to the construction side of things, because usually you don't really want to borrow the money if you're not going to use it for 3, 4 or 5 years. You're just

incurring carrying costs and you're losing money while it's out there because you've taken the loan out before you need it. So, it is common and prudent to try to take that out in stages as you need the money before you pay for things that you're not going to use for 4 or 5 years out. So, I think the construction schedule now we're at a point by the end of when we take this to the permanent bond that my understanding is the cash flow for the construction in the next 24 months or so are going to eat up the bond. So that's the basic reason you don't want to take out the loan before you need it.

Alderman Fajardo: I understand that principle, but why weren't we ready? I suppose maybe the impression is that back in 2023, I think you said Alderman Sapienza, December 23rd, when we authorized the $290 million bond, was the expectation that it would all be spent right away. Is this something that you anticipated, this sort of approach or strategy with BANs, etc.?

J. Chmiel: The use of BANs, the use of paying down ahead of time and only using money as we needed, it was absolutely the strategy from the get go. We wouldn't have taken out all of the money as the gentleman to my right just said, you don't want to pay interest on money that you're not needing to use. So essentially, we would have taken out monies for a period of time that we can't even do for five years. We would have had to look at that shorter period of three years. We would have been bonding money that we wouldn't have touched until now or fall anyway. So, we tried to go with a measured approach to keep the costs low, to keep the long-term debt low, and be strategic in how we use BANs and then ultimately bonds.

Alderman Fajardo: So just again to zero right in on it, you knew in advance that that $290 million bond would happen or be applied over the course of multiple years, and that there would be the expectation that you would be using money from various sources, different places, etc.

J. Chmiel: We did. And we also worked closely with bond counsel. I have to stress, we didn't do any of this on our own. We went out to get expert input. We depended on their feedback. We looked at models they provided for us. We would talk about it within the

team. We've been talking about it for quite some time, trying to figure out how do you keep those costs as low as possible, the debt costs long term. We wanted to not leave that. We wanted to reduce that impact as much as we humanly could.

Alderman Fajardo: Thank you. I'm a new member on the Joint School Buildings Committee. So, I'm just now starting to catch up on the details of the project over the last couple of years. It seems that everything that you described would naturally be public and made available. It's likely been presented over the past couple of years in that joint committee. Should any of us really be surprised, in other words?

J. Chmiel: I would say no, we have our monthly finance and facility meeting on the Board of School Committee side. All of those agendas and supporting documents are public. They're posted on our web page. The Joint School Building meetings, those meetings are public. Those agendas are posted on both pages with all the supporting documents attached. We talk about it in the presentations. We've done updates as we've gone along the way. So, I would say no. And all of the information that we have today is information that's publicly available in the facilities project that's on our web page.

School Committee Member Stewart: Thank you again for this presentation. I feel like I learned something new every time I go through it. I appreciate your expertise. One of the items that I learned most recently, and I think it's relevant to this conversation, is that there is a variable cost that we cannot possibly predict, and that is the special ed costs that we cannot anticipate, as evidenced by the fact that we got over 200 new students at the Christmas break and they all were special ed children that could not be budgeted for. The other thing that I don't believe that the general public understands and maybe many of us don't understand, and I don't claim to be an expert on it, but in my conversations with Assistant Superintendent Roth, we by law must provide special ed services to charter, private, and parochial schools and the transportation. Now, what's really interesting about that, and this is the detail that somewhat blew me away, and I believe the term you used is a double punch, the state does provide differentiated aid to the charter school and to the parochial school. We, the Manchester School District, provides the services, but we do not receive reimbursement on any level. We do not receive that money from the

parochial schools, from the charter schools, the private schools, that we must by law serve and we don't receive reimbursement or those funds don't come back to us. So that again, is another thing that cannot be precisely budgeted for. I didn't know if you, Mr. Roth, wanted to just add something to that.

K. DeFrancis: I could talk about the costs. So, we are responsible to transport the charter school students as well as provide special education services. We do not receive the base adequacy for those students. The charter school does. We do receive a portion of what's called differentiated aid for the students that do have an IEP at the charter schools. That amount that we receive per student is $2,142 per child. And we spend more than on those individual children. Last year I believe the total revenue for the differentiated aid for the charter school students was about $350,000.

J. Chmiel: I want to go back and talk a little bit about the predictability of special ed students and the cost of that programming. So, you're right, we have a responsibility to provide free appropriate public education. We have to work with the services that are outlined within a student's IEP. You are also very correct; we can see influxes in those numbers. So last year we set our budget. After we set our budget, we had a blip in the radar. We had a number of students who enrolled in our district, and that drove our special ed costs up by about $1.2 million. We're still watching that number as we're still getting new special ed students into the district. I just want to caution, some of the cases that we received, they're complex. They need medical care. They need PT, OT, speech, specialized services in a classroom. One case can run you over $500,000. And so, when you get those coming into a district, we need to be able to flex quickly to figure out, one, how to fund and make sure that those services are in place. But then two, make sure the service delivery is happening.

Alderman Kantor: I was just wondering about the school district. Why is the school district using the statewide property tax as part of its tax cap calculation? Is that true?

K. DeFrancis: Yes, because that amount is collected by the taxpayers of Manchester. So, if you look at the tax bills, you'll see that there's a state portion for education as well as a

local portion. Those two amounts together are what is collected by the city for the school district from the taxpayers. So, both of those amounts come to the school district, but the taxpayers of Manchester pay those.

Alderman Kantor: I just thought the cap only applies to taxes levied by the BMA, not the state.

K. DeFrancis: I'm not sure if Sharon can answer that, but again, basically the amount of taxes that we collect from the city taxpayers include both the local tax for education and the state tax, which is that statewide education property tax. So, it's always been figured on the two of those together. And the statewide education property tax has not changed by much. It's usually right around that $19 million number.

Alderman Kantor: I was wondering about the cost of the ultra-modern modular classrooms. Is it being included in the $306 million project?

J. Chmiel: It was.

Alderman Kantor: And that included installation?

J. Chmiel: It did.

Alderman Kantor: I did hear that the kitchen at Beech Street is not going to be included anymore.

J. Chmiel: The commissary kitchen will be relocated. The team is actually in progress looking at where that should be located and actually looking at our food service programming in whole to make sure we have the right services in the right location. Some of our buildings, we've inherited structures from the past and we're just looking to make sure those are efficient and right for today.

Alderman Kantor: But is it true that it was supposed to go to Beech Street and that was included in it?

J. Chmiel: I wouldn't say it's true or false. We know that we had a commissary kitchen at Beech in the past. When we did the redesign of beach, it was determined to look to move the commissary kitchen to a more efficient location. And we just haven't determined that location yet.

Alderman Kantor: I was just wondering about the how much money has the district spent on new positions and pay raises for the executive level staff in the district offices since the district received the $35 million increase in state aid back in 2023.

J. Chmiel: So we have our salaries in total in the budget book. We can go through and pull them out of the budget book and get you that total.

Alderman Kantor: And you can email them to me, please?

J. Chmiel: Yes, we'll share it with the boards.

Alderman Burkush: Looking at the bond payment in a couple of your scenarios, you put $4.4 million and $8.8 million. Is that something you're considering doing?

J. Chmiel: It is. I want to caution at first by saying any of those monies we use are one-time funds. So, as we get closer and closer to a full bond payment, we're going to need to make sure we have those funds ready to go. We put in a $4.4 and an $8.8 million number, just as placeholders to look at different scenarios and what that would do for class sizes. Trying to get to a $16 million total, we can't just take teachers out. We need to look across all different variables or considerations in the district to get to that number. So, we did do an $8.8 million. We did a $4.4 million. We've run a number of scenarios as well at the district office of different numbers of that total bondable money. So yes, those are placeholders in there right now to help us offset how many reductions we'd have to do in the district.

Alderman Burkush: And does bond counsel have an opinion on using that money?

J. Chmiel: We met with them. I'm going to let them talk about their opinion.

S. Maceroni: So as I mentioned, the $8.8 million was in for 27. If we pull that out, it makes debt service go up a bit. What the school district does have is a $7 million decline in debt service in 2029. So, what this creates in 2028 is going to be, as the superintendent said, you're going to have to fill a hole there. So, if you use $8.8 million, that holds about $4 million for one year in 2028, because again, 2029 debt service goes down by $7 million. If you use $4 million there would be no budget gap in 28 because debt service goes from $7 million to $11 million. Not to the full $17 million. So if you use the $8.8 million, you just have to think about 28 and how you close that gap of $4 million. If you use $4.4million, in 28 there's no problem.

Alderman Burkush: So, $4.4 million would be a number that would not cause a problem for you.

S. Maceroni: It would not cause a one-time structural problem. Correct.

Alderman Burkush: Can school impact fees be used to next year, too? And how much is in school impact?

S. Wickens: I think, Karen, you said it was about $4 million or so in school impact fees; I don't recall.

K. DeFrancis: Yes. I think as of the end of December it was about $4.1 million. So, there'll still be more collections for this year. But as of the end of December, it was about $4.1 million.

S. Wickens: And the purpose of impact fees is to pay for any type of school expansion. I think we can agree that the three middle schools are being expanded. So, it would be an

appropriate use of those funds if that was decided. Also that would bridge the gap that that you would need so in 28, if you kick the principal payment to 29, you still have an $11 million interest payment. You have a $4 million gap. Maybe you could pay it with impact fees which would fix that gap.

Alderman Burkush: Who manages the impact fees? The Board of Mayor and Alderman or the school district? Who would approve the impact fee usage?

S. Wickens: The impact fees need to be spent as per the ordinance that establishes the impact fees. The school district uses them every year for payment against debt service for various expansions. We're still paying the debt on the $101 million bond for Central High School back in 2001.

Alderman Burkush: So, it looks like we've identified possibly $4 million or so.

S. Wickens: That is a possibility.

Alderman Burkush: And that the district seems to be okay with.

J. Chmiel: So, any of the recommendations that we make in the different scenarios we would bring to our board, they get to weigh in. We have the responsibility of giving them guidance and options that will become a board decision. But we will continue to look for it. You can move this variable; you can move this consideration, to try to get those numbers to match.

Alderman Thomas: I do share some of the same concerns that Chairman Barry had. We've discussed this a lot. I've discussed it with staff. I've said the same thing since I was on the school board that this would be a problem. What percent goes to your special education costs? What percent of your budget?

K. DeFrancis: So we spend about 25% of our budget on special education.

Alderman Thomas: The reason why I was asking that is I know that someone had asked in the beginning how much of phase one is completed. What did you say? 23%. I know it was also mentioned that special ed would be looked at in I believe it was phase three of the facilities plan.

J. Chmiel: I don't think it's sitting necessarily in a phase. It's one of the bump outs of the long-term facility planning, what would we do for alternative learning planning sites and staffing. So, it's not just finding a building, it's educational programming. It's the staffing and the location. So, it's not sitting necessarily in a phase. It's a bump out of all of the work that we're doing in those plans.

Alderman Thomas: I was wondering if we are only 22% or 23% completed on phase one, is there any way, even if it costs a little bit of money, to kind of review if we could fit in something for special ed in phase one, because the cost of special ed is just going to continue to rise every single year, and we're going to be stuck like this.

M. Upton: We can't use bond funds for operating costs, which special ed would be an operating cost. This money, this $306 million was approved, and there was a representation made that we were going to reserve the funding within the budget to pay for that, so that it would have no impact on the tax rate. That was the commitment that was made when the BMA approved the spending authority. But it was all committed to this particular phase one building project. So, while we can use some money this year based on bond counsel’s opinion to help offset some of the spending in the current year, we can't use any of the actual bond proceeds for expanding operational costs for special ed.

Alderman Thomas: I'm not necessarily saying for operational costs per se, even as Chairman Barry suggested, because we've spoken about this. You know, expanding MST in phase one to really kind of get things rolling on this. Is there any way we can look at phase one?

J. Chmiel: I think what you're asking us is, can we go back and look at phase one and reconfigure those plans? My initial reaction and I'll bring it back to the team, they're aware of this ask, would be it would be quite costly for us. We're already at the place where we've got plans moving, we've got work going. So, we would be hitting some significant changes that we'd be looking to push in. I will bring it back to the team and just let them know this was an ask at this meeting. I can certainly follow up.

Alderman Thomas: Another thing, to my understanding, I want to discuss the meal debt, which is $400,000. And to my understanding, there was a policy that was brought forward to the school board last year which seemed as though it could take care of this issue that was shot down. I'd really like it to move forward, back to the board, and see if we can have that approved. Because my understanding once again, is this is going to happen each year. We're going to have this debt each year.

J. Chmiel: So, we do anticipate meal debt to continue. I'm going to look at our board. I can't answer for them. I'm going to leave that one to all of you.

School Committee Member O'Connell: I just wanted to be clear, if I understand Alderman Thomas's question, it has to do with special education and what we're doing with that, and especially around the programming for students.

J. Chmiel: We're on meal debt. Sorry, Mr. O'Connell. The last question was meal debt.

School Committee Member O'Connell: But the previous one that I want to address is the issue about the current project, phase one, special education, and why some funding wouldn't be used for special education. I think it's important to note. I'm sure you'll be interested that the remodeling of three of the four middle schools and of the new Beech Street School will have a dramatic effect on special education and special education students in the City of Manchester. We have students today that in are in our medically vulnerable programs or students that are very much impacted who are in buildings not designed for that purpose. So, for instance, we have students who have the ignominy of having to be wheeled from one end of a school down a corridor to a remote bathroom

because there's no bathroom available for them. And some of these students may not be in command of their bodily functions and need regular servicing and help. And a good school district that's properly designed would have those children in rooms where there are bathrooms available, designed for purpose, with changing rooms, etc. And we don't have that. And that will change in the next 18 months at Hillside, Parkside, Southside, McLaughlin, and certainly for the 730 kids, 25% of whom will be special needs and are in IEPs, at the new Beech Street school. I have great sympathy for the idea about the city having a program for students that are currently being transported out of town and spending an hour or two hours a day being moved to programs remotely because we don't have the services there. There's going to be a significant impact to our most needy students, our medically vulnerable students, and our special education students because of the upgrade in the facilities and in the schools and the money being spent. And that money is coming out of the $306 million. So to summarize, a significant portion of the $306 million worth of spending will be directed at helping those children. With regard to the most recent topic, which was meal debt. The board looked at this and it's a question of where we want to spend resources, and we could spend resources chasing down parents or guardians or others who owe money on free and reduced lunch who haven't paid, and in if we had the resources to do that. What I said at the time was that in this district, if we had people available to do that, I could think of 5 or 6 other areas that I'd like to see them going out into the community to do before they were knocking on doors, chasing people down who are already struggling to pay their rent and pay for the gas to put in their car to go to work. So, it's difficult, but it's a question of what the return might be on investment.

Alderman Terrio: So, if you get the tax cap budget you're facing just under a $16 million deficit. Is that correct?

J. Chmiel: That's correct.

Alderman Terrio: How much of that is because of reduction in state aid?

K. DeFrancis: The reduction in the state aid, the adequate education aid, that was a reduction of $1.9 million. But other state aid programs, special education, building aid, and Medicaid had an increase of about $900,000. So, the net effect of all state programs was about $1 million in next year's budget.

Alderman Terrio: So, most of it is not because of reduction in state aid?

K. DeFrancis: Correct.

Alderman Terrio: Final question. Going forward, if you get the tax cap budget every year, are we going to continue to face these deficits for the foreseeable future?

J. Chmiel: I think the easiest way to answer that is we're already in a $16 million gap. If we were to see tax cap compliant budgets in coming years, we would still be short that $16 million if we don't figure out a way this year to recover some of those funds. So, whatever we leave off with in this budget year, that will carry forward into the coming budgets; you wouldn't recover that just by having tax cap compliant budgets in subsequent years.

Alderman Bonilla: Alderman Thomas, I can address the lunch stuff, too. I was in the policy meeting in the policy committee where we shifted the lunch policy that we had. The proposed new policy that could have been would have created this environment where students would have been discriminated against based on what lunch they could get. So, imagine a child getting flagged saying, you can only get a cheese and bread sandwich. So, grilled cheese but it's not even grilled. It's just a cheese sandwich. This policy would have just created this scenario where you would know which students owed money and at the end of the day the district has been very proactive with the welcome center and our bilingual family liaisons even at CelebratED, in ensuring that our families have access to the free and reduced application. So, they're already going all in trying to get families to fill this application out. But then there is this matter of, even if families got the reduced portion, our families in the city still can't pay what their children are accruing. So can you imagine the families who know that they can't pay the debt, their children are getting text

message after text message after text message every day, knowing that their child owes a balance. Seeing that figure of $300,000 is a lot to swallow. I hate that. I do, but what they would have to do, which they had proposed, was they would have to create an alternative a la carte menu for families and students. That's not something that I could sit with myself. I know that I remember what it was like personally having been on free and reduced lunch and what it did to my fellow classmates. So, the school board decided to shut it down. So again, I think that there's bigger conversations that I had with that and how we can best support the district in that portion. I will guarantee you all in this body, in this room, that they are proactively doing everything possible to get our families to fill out that application, whether it's in person or online, as well as providing them with the necessary services if English is not their first language. So again, I just wanted to provide clarity to you on that.

School Committee Member Potter: I wanted to answer a question of yours, Alderman Terrio. So, we have that $16 million gap between the tax cap amount and the baseline budget. And that's without increasing our budget. That's just the cost of inflation that we're facing. And the fact that we used our trust funds last year and we can't do that again, they're basically gone. They're already lower than what our auditor recommends, 10%. We're down to 5%. So, there's nothing more to spend there. And we've got to fill that in with another form of revenue for the coming year, because we did that last year. And the reason we had to do that last year was because the increase from the city side didn't keep up with inflation. Even though you all raised the taxes last year, it all went to the city side. The school side actually got a reduction in our contribution from the city last year. So, the city's revenue side has not kept up with inflation for two years in a row. And that's why we're now seeing this deficit emerge. We covered it with one-time funds last year, but there's nothing left to spend.

Alderman O'Neil: I'm going to probably have more comments than questions, but when you were doing the original slides between pages and three and four you presented some data that I didn't have in my handout. Can you get that to us?

J. Chmiel: You're looking for just pages three and four?

Alderman O'Neil: You were somewhere in between there and you presented some data off script. This item you talked about teacher pay in attracting and retaining teachers. I'm hearing in the community that educators are being asked by teachers to write letters of recommendation. People are looking to move on. I don't know how many there are. It's a serious issue. If you have a family, you're not going to be waiting to see what Manchester does. I ask myself; how many are not asking for letters of recommendation and are looking for jobs? I think that's a serious issue. I applaud the district for several years ago bringing the bus service in house. Any reduction in athletics or other curricular extracurricular activities, those things keep kids in school. We shouldn't even be talking about it. Health insurance, that increase seems to be higher than where we're tracking on the city side, I don't think we're tracking anywhere near 13%.

S. Wickens: No, we're in discussions, but we're not as high as that now.

Alderman O'Neil: Maybe we can give some help on that. Where did the 3% increase for the SROs come from?

K. DeFrancis: So that was just an increase based on the tax cap. That's what we have been giving to the city departments over the past couple of years. But we did that for the resource officers because we know that it's all salary based and we would have to support that. However, for our facilities and parks and recs folks, that is not all salaries and they felt they could function on a level funded budget this year, but basically that 3% came from the tax cap.

Alderman O'Neil: If police officers are given more than a 3% increase in their in their pay, that's going to impact the school district.

K. DeFrancis: I believe this past year we stayed at the tax cap. In previous years we would get the actual salaries.

Alderman O'Neil: They've been under contract, Karen. Their contract runs out June 30th. So, in negotiations now. For our guest tonight, I want to follow up on what Alderman Burkush has talked about and I was trying to keep up with what you were saying. Could you review that again about why the $4.4 million fits. I was trying to get to the year you were talking about another bond is paid off.

S. Maceroni: Correct. If we use $8.8 million in fiscal 27 of the $17.7 miliion that was originally allocated, what that does is it'll free up that money in fiscal 28. Debt service jumps up. So, it jumps up from $7 million to approximately $11 million. So, you're going to have more money in 28 to pay debt service. So, it's about a $4 million gap. That's only a one time, one year gap when we get to fiscal 29, because debt service declines by $7 million. Now you're ahead of the game by $3 million. So, you have technically a debt service surplus in that year of $3 million. So, by taking the $8.8 million it will create a problem in 2028 of approximately $4 million. But it's solved in 2029 with a decrease of $7 million in debt service.

Alderman O'Neil: So, it's your recommendation that the $4.4 million would be, I don't want to say advisable, but could work in fiscal year 27 and then again in 28 and then 29, the $7.9 million debt service goes away.

S. Maceroni: I guess the only thing I'm saying is if they use $4.4 million, 28 will not have a problem. If they use the $8.8 million, they're going to have to come up with a plan. If they use the 8.8 million, they'll have to come up with a plan in fiscal 28 to have a one year solution to that $4 million gap.

Alderman O'Neil: But that could be spread over fiscal years 27 and 28. Is that what I'm hearing?

S. Maceroni: No, it'll all be in 27. And then in 28, you need some of the $8 million that you already gave back, so you're going to need that too, because the debt service in 28 is going to ramp up to $11 million from $7 million. So that's why, because the debt service is ramping up from $7 million to $11 million. If you take the whole $8.8 million, it means

it's creating a $4 million gap in 28, 28 is where you have that problem. So, we're not spreading the $8.8 million.

Alderman O'Neil: Could you just put a one-page scenario together for the BMA through Sharon to get to the BMA and the school? Of course, the Board of School Committee would have to vote on it, but it might help the Board of Aldermen as we're crafting the budget. Finally, it may not be a big deal because it's only $100,000 in debt, but do we really need to be spending $1 million on parking lots? Can I throw that out? And then, you know, three budgets are fine, but the budget, as far as I'm concerned, the Board of Aldermen are going to be working off of, is the one presented by the mayor tomorrow night. So that's what we're going to have to work off of. We're probably going to be reaching out to the district looking for information. I don't know where it'll fall in any of these scenarios or if it could be a fourth budget. So that's where we're going to need some help in gathering information from you once the mayor puts his budget out to know what's the number for schools, and then we go from there.

Alderman Kaw-uh: Thank you to the district leadership for the presentation. I just want to go off track for a moment to say I'm surprised to hear O'Neil advocate for spending a little less on parking. I would think he thinks we need all that we can get in the city. But I on the other hand, I'm fine with losing a little bit if we can. Part of the presentation that you gave mentioned the potential reduction in the student body that the state estimates that there's a 1.4% potential reduction that's coming up. So, I wanted to ask how accurate those state estimates tend to be. And if that figure is inaccurate, when would we see the financial impact of that if they adjust the aid up or down as a result?

K. DeFrancis: So, for the adequate education aid, the state is required to give us an estimate by November 15th. So, we received the estimate November 15th. But the final number that we get will be based on how the school year ends. So, it's not based on enrollment as of a certain date. I think a lot of people think that it's based on the enrollment as of October 1st. It's really based on the average daily membership for the entire year. So, you have kids coming and going, and we receive the adequacy for the amount of time that they're in Manchester. On the free and reduced side, it's similar. The state gives us

an estimate in November. So, you know the year is not over yet. They're guessing at it. They're taking an assumption. They look at our past history. They look at our October 1st enrollments. But the free and reduced data will be based on any child that's free and reduced for one day in the school year. We would get the free and reduced adequacy for them. So, I looked back at the adequacy aid over the past about ten years and prior to Covid, the state was very accurate and we would see a change anywhere from 0.6% to 1.2%. So again, that's getting really close. During Covid, the students ate for free. So, the first year after Covid, the state honored the free and reduced numbers prior to Covid. We and other districts as well had some difficulty after Covid, getting families to fill out those free and reduced because they didn't have to do it for two or so years. The state's getting back, I think, to having those estimates accurate. In fiscal year 25, their estimate was 0.5%. So about $550,000 lower than the final number that we got was about $550,000 lower than what they had projected in November. So, the initial estimate comes out in November, and we received the final number September 1st. So, September 1st, we're already into our new budget year, but they give it to us before we have to set the tax rates.

Alderman Kaw-uh: Could you go back to the scenarios, the five scenarios, if you still have access? Thank you. So, none of those five scenarios look good to anyone, I would assume. And I wanted to ask, I believe the answer is no. Does the Board of Aldermen or the Board of Mayor and Aldermen have any ability to dictate which scenarios are chosen if we provide only the tax cap amount of funding?

J. Chmiel: I want to caution, the scenarios that you see before you this evening, they're draft. They're watermarked as draft on purpose. These are five of the many, many scenarios we've run behind the scenes. Once we hear the mayor's budget tomorrow, our team will go back. We will look at these scenarios again. We will take into consideration some of the feedback we heard from our Board of School Committee. In our initial presentations, we'll socialize those ideas or questions into the scenarios, and then we'll present them to the Board of School Committee. They will take a vote on where and how we deploy the funds that come in from the city side. So that would be work that's happening on our side and then presenting for approval to our board. I just want to say

these are very much intentionally draft just to get us started to understand what these numbers could look like.

Alderman Kaw-uh: Understood. Thank you very much. I know that the mayor has made some remarks and I fully agree with them, that Manchester could be and should be the best mid-sized city in the United States. And I personally do not believe that any of these five draft scenarios or any similar scenarios would help us move the needle to getting closer to that goal. And so, I just want to leave my comments there that I don't believe that this would help make Manchester better, wouldn't lead us in a better spot. But that's going to be a major point of discussion over the next couple of months, starting with tomorrow's budget presentation.

Alderman Kantor: I was just wondering how many positions were created and funded with the Covid emergency funds.

J. Chmiel: The original, we can confirm the number for you when we go back and look at it. It was in the 70s. As we rolled out of ESSER, we had reduced progressively through the years. The positions went down to about 44. We've had cuts in the last two years. So, what we've done, we call them student impact studies. So, what position did we push in through ESSER funding and what's the student impact of that position? If we looked to keep a position that we identified through ESSER, we had the opportunity to bring that funding in and we saw there was a huge impact on students. What we did is we had to remove a position from the general fund staffing pool so that we could essentially swap position for position. So, at this point there is no state funded ESSER positions left. They've all been incorporated into the general fund, but they've been done so through those student impact studies.

Alderman Kantor: How many positions are there that were transitioned from the emergency Covid to the operating budget?

J. Chmiel: As I just said, we started with around 70. We had 44 last year. We cut 20 positions. So, we've just been moving them out year over year. We can go back and take a look at that number year over year and get that to you.

Alderman Kantor: Yes, that would be great. What is the total salary and benefits cost for those positions that are still there, that are originally Covid emergency fund positions that are now in the operating budget?

J. Chmiel: We'll look at it when we look at that list for you.

Alderman Kantor: I appreciate it. With the phase one underway and the destruction of the basketball courts across from Beech Street where are the kids going to play?

J. Chmiel: I'll make sure we've got an update coming at one of our joint board meetings. We've already been working with DPW to look at the relocation of the playsets, and we're having the conversations about the basketball courts as well. I'm sure we can get that on an agenda and get that out to the public.

Alderman Kantor: Do you expect it to be in a timely fashion before the end of school?

J. Chmiel: I'm going to refer back to our team who's looking at it, and we can get that presented at the joint buildings.

Alderman Kantor: Also, does the district require special education parents to check with their health insurance companies to see if they'll cover the services their children need? Some of them like devices, different things that could be covered by their health insurance.

J. Chmiel: I think there's some cautions we want to throw out there in regard to free appropriate public education, we have the responsibility to provide the services. That said, when we're working with families, we do explore what's out there for them, how they can leverage. I would say the biggest piece is transition between home and school. How do

you have the same equipment at home that you would have at school? So, we do look at what resources are available to make sure that we're helping with some of those transfer of skills from school to home. But we don't ask that they use their personal funding to cover what we're responsible for.

Alderman Kantor: Are you taking steps to collect the money that's owed for the lunches?

J. Chmiel: Yes. Alderman Bonilla just mentioned earlier, he gave the example of a constituent being upset because we have these robocalls that go out, emails that go out, and then we have phone calls that are agitating to some of our families. They've been reaching out to us to ask us to stop doing that. So yes, we are actively trying to get those funds recovered back into the district. But what's more important is we're trying to get those free and reduced lunch apps filled out and communicate to our families that you may have a change in condition during the school year. You might not have been eligible at the start of the year, or your eligibility was free or reduced. That can shift if family conditions change. So, we're really trying to message out to let us help you understand that process. Let us help you through that application process because we want to make sure we've got them serviced.

Alderman Kantor: How much is it costing the district to bus the more than 130 elementary school students who have been shipped to other schools as a result to the district's class size policy?

K. Espinola: We are using our home to school transportation, so it's built into the salary budget. It is not above and beyond costing the district any specialized transportation costs. In the past, it has cost on the specialized transportation side, but we have taken that cost in-house and now it is built into our regular budget. I do not have a concrete number for you.

Alderman Kantor: Because that was part of my next question is what is the transportation budget for general transportation? And why did the district move that line item from the budget and scatter the expenses across different line items?

K. Espinola: No, we have two sides on the transportation side. Home to school, those are those big yellow buses that you see across the district. And then we have six smaller buses, and then specialized. Specialized transportation costs upwards or anywhere between $500 and $900 a day per bus. The home to school side, we can build routes that go around the city. If we have a student that may reside anywhere near Beech Street, Bakersville, somewhere on the east side of town, and they might be going to Parker Varney, we can build routes into our regularly scheduled bus routes so that they pick them up as part of our regular transportation. It does not cost above and beyond on the transportation side for home to school to move students between schools.

School Committee Member Parr: I'd like to zoom out a little bit. I'm glad we're all here together, because I think it's an honor to work with you all for our city, the great city of Manchester. I like the comment from Alderman Kaw-uh citing Mayor Ruais that I think we do all want Manchester to be the best mid-sized city and I want to keep that word we right now, because this discussion of the Manchester School District budget affects all of us. And let's be clear about where we are. Even if we fund the schools at the full tax cap, we're still facing that $16 million shortfall. That's not a minor adjustment. That's a structural deficit with real consequences. And there is then a simple question we could address, what are we willing to cut? Are we prepared to lay off dozens of teachers and staff, increase class sizes that are already above the state average, eliminate athletics and extracurriculars? Because those are not hypotheticals. That's what a $16 million gap looks like. And we should also be honest about how we got here. This is not one bad year. For years, funding has not kept pace even within the limits of the tax cap. We've relied on one-time reserves to close recurring gaps and those reserves are now almost gone. That strategy is over. At the same time, many of our costs are not optional. Special education is federally mandated. State minimum standards have been revised and we must implement those changes. Our students' needs have increased. Health insurance is rising. These are obligations we're required to meet and we will meet them. So again, the question is not about management. Our team has done prudent, careful planning with due diligence. Our audits confirm this. The budget shortfall we face is one that many districts are facing around the state in Concord, Nashua, Goffstown, Merrimack and beyond here in Manchester. We do have another option for dire circumstances like the

ones we face. The tax cap includes an override for a reason. It exists for exactly this kind of moment when the needs of the community exceed the caps constraint. If we choose not to pursue it, then we should be transparent with the public about what that decision means, because choosing not to act is not neutral. It's a decision to accept these cuts and their consequences. This is not just about schools. It's about whether we're willing to sustain a system that serves all of our students and supports the future of this city. We can make that choice. The mechanism is there. The question is, will we use it?

School Committee Member Want: Thank you, everybody for being here. This is really great. It feels like everybody's been very respectful and attentive to the issues at hand, and I really appreciate that. I just want to say, as we look at this, I met with a middle school principal, a long serving middle school principal, who remembers back in 2012 when we lost hundreds of staff and it really had a huge impact on our schools. And his point to myself and Alderman Fajardo, it takes a long time to build things up. It's taken a long time to get back from that devastating cut. And we've done that. We have really made great strides and we're really, really producing great outcomes. Our students are producing great outcomes and it's just like building a house. You can build a house; a tornado comes along and you spend a year building it, it takes a day to bring it down. And that's what this feels like. It feels like it's taken a long time to build back from 14 years ago and now it could take one budget literally to put us all the way back there again. So, I really caution everyone here to think about doing more than just the tax cap compliant budget, because if we do that, we are going to be have increased class sizes. We're going to have kids needing to go walk two miles to school. We already have an attendance issue with our high school students, and that is not going to help things. Class sizes are so critical. Our students need the attention of their instructors. And the more children in a classroom, the less individualized attention each student is going to get. I just want to really caution everybody as we move forward, to remember that our kids are our future. And, you know, their vision without funding is a hallucination.

School Committee Member O'Connell: I want to echo the comments of Committeewoman Want right now and to mention the fact that it's good to be here with all of you. In the end, we are the people who are tasked, the 28 board members. And you, Your Honor, are

tasked with solving this problem. Before we finish, I want to commend the people who are in the room behind us tonight. As I walked in, I saw middle school and other teachers here, young bright teachers; not all young, but all bright, I'm sure. I want to thank them for being here. I can't think of another job in the world where you have to go out on a Thursday night or on a Wednesday night and advocate for your own pay and position. I also want to echo the idea that the very discussion that we're having here is having a chilling effect on our district and on our teachers and our staff. It is morale sapping. It wounds deeply the ambition that we all have to make Manchester the best mid-sized city in the United States of America. And when we have people at home tonight watching us and worrying about whether they're going to get riffed in 30 or 60 days or not, that that is not an atmosphere in which to grow and to and to develop our community. Just a couple of things I want to say in particular with regard to the concerns for free and reduced lunch, and I think we should join the other states in New England and every child in every Manchester schools should have free lunch and free food. We have a city with great need in it. We've got the neediest population in the state of New Hampshire, and that's what should happen. But let's be realistic, because in New Hampshire we're going to find the New Hampshire way, which somehow isn't going to do that. But what could be done for those who are concerned? I would ask you to advocate with our representatives in Concord to fund a free and reduced lunch the way that 43 other states do it, which is to use Medicaid qualification and then we don't have to chase people down to try and get them to sign up. Today, the people in the foster care system and the grannies and grandads who are looking after little children who are challenged enough in what they have to do, rather than filling out forms to get free and reduced lunch. A simple vote in Concord that comes up on an annual basis would allow this state to follow all the others, or 43 of them. We could become the 44th to simply allow Medicaid to be used. The problem would go away and there'd be 8,000 additional children in the state of New Hampshire, those are the House numbers, I believe they're probably higher but our state legislature believes it's 8,000 kids, probably around 1,500 in the city of Manchester. To the subject in front of us tonight, I would just like to say this. I think it's important. I think we owe it to our public to understand something about how we got here. I think about Alderman Terrio's comment about, in the future, if we got the cost-of-living increase what would that mean. I know that the answer to whether our kids have a proper education or the minimum under that

additional $16 million or not will be decided by the people in this room. And so, I don't want to poke anybody in the eye. I just want to comment about how we got here. It's not an accident. And there's no surprise. But most importantly, it would be unfair for the public to think that it was poor management on behalf of the school district administration. It's very simple. I want to just give you some numbers that are all on the city's website that you can get at manchesternh.gov. In the last two years, the money raised by the City of Manchester for city services went up by 12.55%. Over that two years, the money raised for the school district went down by a -0.72%. Over the last four years, spending on the City of Manchester side has increased by 20.12% and the amount of money raised from local property taxes by the Board of Mayor and Aldermen to spend in Manchester was 20.12% over the last four years on the city side; it was 4.57% for schools. We came into this, not just four years ago, but we came into this as the least well-funded school district in the state of New Hampshire on a per capita basis, give or take one. We live in a state that funds public education at the lowest rate in the United States of America. So, it should be no surprise that in a city with a diverse and needy population, with growing numbers of special education students and children in poverty, and with the increased cost of living and increased difficulty that a school district like Manchester has, as we've heard tonight, increased costs. 209 additional kids and IEPs up until Christmas this year at a cost of perhaps $50,000 per each. When you look at that number it would be $10.45 million buried in these budgets. Those children might easily be costing our society here $100,000 each. And if that's the case, there's an additional $20.9 million buried in these numbers. So as a community, as a city, this is a significant problem. But I want to reassure, I am responding to Alderman Terrio’s comment. Somebody said to me, I was doing an interview recently and they said, where's the hope for the future of the taxpayer? What do you hold out for the future? Where and when does this stop? When do we stop talking about budgets and increased spending and all the rest of it? If the Manchester school district had gotten a cost-of-living increase over the last six years, there would be $48 million additionally in our annual budget. Think about that. If we had gotten the cost-of-living increase, just that, just the inflation number, no accounting for the additional costs and expenses, just to Alderman Terrio’s question, that would have equaled an additional $17 million over the last two years. So, if the Board of Mayor and Aldermen had simply given the school district exactly the cost-of-living increase, there would be $17 million

extra in the budget tonight. There would be no problem next year. And we could be talking about how we spend the additional million dollars to bring additional services and efficiencies to our school district. I would sum up by saying that I'm saying all of this not to get in the face of the mayor and the aldermen, but I think our population deserves to know, because if I were sitting here and I wasn't informed, I'd be thinking to myself, oh my God. If you take a benevolent view of education, you'll be saying education costs are going crazy, and what are we going to do as a society to meet them? And that's a legitimate view held by many in our population. And there may be others watching us or in Manchester saying, what the heck is wrong with the school district? Every year the school district's coming back because it needs more money and they keep coming back. I hear it all the time: why can't you live within your budget? I go back to the facts I'm giving you tonight. The Manchester School District had a decrease last year in local taxes of 2.49%, over the last two years a reduction of -0.72%. While on the city side, spending has gone up by 12.55% and 20.12% over four years. So, with great respect, I would suggest that we come into this room with 28 people to discuss budget issues in the City of Manchester. I think people would be forgiven for saying we as a board of 28 people should be talking about how we control spending in the City of Manchester, and you won't be finding that on the school district side. I hope that's not too strong for us all. I'm grateful to everybody in this room. I have good relationships with everybody in this room. I know that in the end, as I said to you, Your Honor, we will find a Manchester solution to this problem and I look forward to working with you all. I don't envy the task in front of you, but I'm sure I speak for all my colleagues on the Board of School Committee that all of us are here to work diligently in order to find the right solution for the children of Manchester.

Alderman Kantor: Where do I start? Are there still math coaches in elementary, middle school and high school? You have math coaches for the teachers.

N. Doherty: There is an elementary district math coach for the elementary. And then there are four middle school math coaches.

Alderman Kantor: We didn't need them when we were kids, so I just don't understand why you need coaches to teach the teachers how to teach math. I guess my thing is, the

enrollment is down. We're building bigger schools. It makes no sense. Where are we going to be with phase two? Is this how it's going to go? We are going to make bigger buildings when we have less students and a lot of parents are pulling their kids from the schools, and there's a lot of teachers that are tired of the shenanigans that go on in the schools. I am questioning why do we need bigger schools when our enrollment is down? And ten years ago, our proficiency rates were higher and we were spending less money and we had more students.

J. Chmiel: I would note, I don't think we're building bigger schools. We're building schools that are appropriate to our enrollment projections coming up. We're building schools that are 21st century learning environments. When you talked about why do we need math coaches, teaching has progressed in the decades before our time. We use data driven loops. We talk about how students are doing in the classroom, what strategies we need to deploy, and we deploy that better. Our teachers are remarkable in their ability to look at the data and then tweak their instruction to meet the needs of our students today. I would also reflect a little bit on the gap that we've seen in learning with our district. We've also seen that gap expanded during Covid. We're working right now with our coaches, with our teachers, with the whole system, to close that learning gap. We've done that structurally through all of the foundational work we've done with the board, looking at reducing class sizes, looking at that vertically aligned and horizontally aligned curriculum, which requires professional development that our teachers actively engage in to lift student learning. I would say that things have progressed since the time that we were in school, and pedagogy has absolutely changed over those years.

Alderman Kantor: I'm going to disagree with you. I definitely know there's a lot of kids that can't do math, and it's really hard for students to do homework with their parents because the parents just don't get this new math. It should be just back to the basics. Nice and simple, easy to learn, and easy to work with your parents so everyone can just do better. So, spend more money and change it. We need to go back to the basics.

School Committee Member Georges: I don't really have a question, more of a comment. Thank you for everyone that's here tonight. This is my first time doing this, so this is kind

of nerve wracking. I've heard a lot today and I've heard a lot over the few weeks, but the only thing I just have to say is if we really want Manchester to be that shining star that we so hope it can be, that can't be without investing in our schools. It's so great that our streets can be fantastic. Our downtown can be great. But if our schools are not fantastic, if our schools are not trying, if our schools are not pushing to be greater and better, then our people are not going to stay here. Why would people stay here if our schools are not great? Why would they want to raise their children here if they don't see that we don't take the time to invest in our schools, invest in our teachers, invest in the fact that our buildings need to be better? Our children need a better environment than us all, because I believe most of us here have been in our public schools, since we didn't have better for ourselves. We should be pushing for better for our kids and for them every single day when it comes to our special needs children, every single child is different. Every person here has kids or has nieces and nephews. We know that when we spend money on our kids, it is different for each dollar amount; it is different for each child. It's going to be the same exact thing when it comes to our kids. The fact that we don't have in this moment, some kids' IEPs are being changed, not because they're hitting their goals, not because they are hitting their milestones. No, because the environment in the school can't even help them get to their goals. So, they have to now go back and try to figure something else out. Not because the kids are doing great or not because the kid is doing bad. No, because the environment in the school is not conducive. There are not enough teachers to help those children. There are not enough resources to help those kids within our schools at this moment. When it comes to lunches, if you want our populations to have free and reduced lunches, figure out how to protect them. Figure out a way to protect them. You want them to sign up? Figure a way to protect them because they're scared at this moment, right now. Do you want them to sign up? Find a way to protect them so that they are not scared, and they feel like they can come to us and say we need this. But if they are, if they're scared and we have no answers to protect them, what's the point? And also, the school lunches itself, talk to kids, see how much the kids are actually eating our foods in our school lunches, see how many kids are actually trying to stay in that school lunch line and actually get food. Because honestly, if you haven't talked to any of those kids, whether they're in high school or middle school, you would see how many kids are actually eating our school lunches. Thank you, but remember to invest in our schools.

Alderman Kantor: I just wanted to say that I'm a proud member of Central High 1988. I had a great education. There was a lot of students that I went to school with. But there was less staff and it was simpler times. We need to go back to the basics, simplify things, bring back the pride, and less is more.

School Committee Member Georges: Our kids are not basic. Our kids are smart. Our kids are challenging us every single day.

Mayor Ruais: I don't think that's what she was suggesting.

School Committee Member Georges: I totally get that. But I'm just saying we can't go back to basics. If we go back to basics, then they're just going to struggle away and get lost in the sauce.

Mayor Ruais: I appreciate everybody coming this evening and for being here for this. I think it was instructive. I think we got a lot of good questions answered and I appreciate it. I would take one moment just to respond to Vice Chairman O'Connell. I appreciate the passion and I consider you a friend. I think that the picture you painted was a little bit incomplete. In the two years that I have been mayor, there has been an additional allocation to the school district of $11 million. The requests that were reduced were $12.2 million. So, I'm not sure where that $17 million comes from, but it's a $12.2 million reduction in the requests. I could have vetoed the $6.5 million that came in additional state adequacy aid. There weren't votes to override. I did not do that because I felt that was important. I felt that that was important when it came from the state. I would point out that in FY 24, the year before I came in, the baseline budget for the Manchester School District was $191 million. And if there were to be a tax cap compliant budget, it would be $235 million. That's an increase of $44 million over four fiscal years. When Alderman Long and I sat down in in FY 25, that first budget, he had asked a question as to what the funding was for or where the funding stacked up between the school district and the city side since the inception of the tax cap. And at that time, the school district had received $10 million more dollars than the city side, which necessitated the compensation study,

which we had to pay for last year. And in FY 25, we had to address the health care cost increases that we had on our side. So that's what I've been saying from the beginning, that there is a balance to everything that we do. So, I appreciate your passion. I just wanted to add a little bit more color commentary to that, because I think there were some numbers that were left out.

School Committee Member O'Connell: I just would say this, I think I was very careful in my words.

Mayor Ruais: I didn't take it negatively. I appreciate the back and forth.

School Committee Member O'Connell: What I said was accurate. I think what should be said is that there are other sources of funds that come to the Manchester school district, federal, state and other funds, and those have increased and moved up and down. I was only referring to the local property taxes. You and I talk regularly. I look forward to working with you on these problems.

*This being a special joint meeting, no further business can be presented and on motion of **Alderman Barry**, duly seconded by **Alderman Vincent**, it was voted to adjourn.*

A True Record. Attest.

City Clerk

Meeting Start Time: 6:00PM
Meeting End Time: 8:20PM
Minutes Prepared By: Michael Intranuovo